

***BULGARIA PILOT COMMUNITY FUND &  
SOCIAL ENTERPRISE PROGRAM***

**QUARTERLY REPORT  
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Submitted to USAID/Bulgaria**

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## TABLE OF CONTENTS

	<b>PAGE</b>
A. Executive Summary	2
B. Project Purpose	3
C. Project Impacts	3
D. Management Overview	4
E. Project Activity by Objective	7
▪ Objective 1	7
▪ Objective 2	13
▪ Objective 3	17
▪ Objective 4	18
F. Coordination and Cooperation	18
G. Leveraging	21
H. Lessons Learned	22
I. First Year Highlights	24
Attachments <ol style="list-style-type: none"> <li>1. Performance Plan</li> <li>2. Strategic Plan – CF Chepelare</li> <li>3. Operational Plan (Oct- Dec) – CF Chepelare</li> <li>4. CF Start-up Plan – Gabrovo</li> <li>5. CF Start-up Plan – Blagoevgrad</li> <li>6. List of Meetings – Blagoevgrad</li> <li>7. Assessment Tool – Social Enterprises</li> <li>8. Assessment Report and 1Y Training Plan</li> <li>9. World Learning SE Study Tour</li> <li>10. Presentation – SE</li> <li>11. Kick-Off Training Workshop Evaluation Form</li> <li>12. Kick-Off Training Workshop Evaluation Analysis</li> </ol>	

## **A. Executive Summary**

The fourth quarter of the Bulgaria Pilot Community Fund and Social Enterprise Program (BPCFSEP) has been interesting and eventful. The three Community Funds (CF) have rapidly developed in entirely different directions and the Social Enterprises (SE) came together for their first capacity building events. The quarter also saw increased activity related to the Civil Society Development Foundation and Objective Three. Counterpart is increasingly cooperating with local organizations. The leveraging of local resources and working with local organizations promises to expand the outreach and strengthen the impact of the Community Funds and Social Enterprises.

The Community Fund in Chepelare was registered as a legal entity, and although they are in need of organizational and Board Development training, they successfully designed and implemented a test fund raising activity project. The community got together to define a need and then raised money to replace existing city lighting with energy efficient lighting. The Community Funds in Gabrovo and Blagoevgrad ended the quarter in the process of registration which will be completed in October. The Blagoevgrad Fund faced obstacles in seeking the support of the municipality; however, Counterpart Program Staff adapted the model and concentrated on the interest of the business and NGO sectors in order to move ahead. This resulted in a Fund that is completely community funded and operated. Their interest is in ensuring that the process and the Fund is 100% transparent and that every citizen of Blagoevgrad has the opportunity to participate in the fund, its management, and in the decision making process. The Fund in Gabrovo, which follows on to the Swiss Forum project, is developing based on the findings of the Swiss Forum. This is good in some ways and problematic in others. Because of the great number of meetings/forums held by the Swiss program, the participant level at Counterpart meetings is not as high as expected. Nonetheless, the Program Staff has worked with the Steering Committee to move the program ahead.

The Social Enterprises have come together as a group and have begun networking with one another. Eight ISC supported organizations were enrolled in the Social Enterprise Program. Efforts by the Program Staff are being made to secure additional support for the SEs: Heifer International has been contacted and expressed an interest in starting up programs in Bulgaria. Representatives of the twenty-three NGOs enrolled in the program will go on a World Learning Study Tour next quarter. Preparation for the event took place during this quarter.

A decision was reached by Counterpart International to contract with a Bulgarian legal firm to assist in the negotiations to end the relationship with CSDF. Financial documentation is still problematic with figures changing and standards not being met. The FO and Administrative Officer spent considerable time reviewing the financial documents and requesting additional information. It is anticipated that resolution will be found by the end of this quarter.

In a meeting with USAID last quarter, Arlene Lear, Counterpart's Senior Vice President, presented the idea of localizing the Counterpart Bulgarian office to be the support organization for both Community Funds and Social Enterprises. Activities this quarter towards that end have been the development of a proposal to modify Objective Three, refine the pros and cons of localization and design a localization timeline. These documents will be completed and forwarded to USAID early next quarter.

Cooperation between the American Red Cross and Counterpart – Bulgaria promises to increase available affordable training for both organizations. Each organization will include the other in training programs and the Directors of both organizations offered to personally provide training free of charge to the other's organization.

## **B. Project Purpose**

**To enhance the sustainability of Bulgarian NGOs**

## **C. Project Impacts**

### **Community Fund Development**

#### ***Community Fund in Gabrovo Maintains Positive Impact and Builds on Results of Swiss Project***

In 2001, Gabrovo was included in the Public Forum Pilot Program of the Swiss Agency for Development and Cooperation and conducted a series of community meetings that were devoted to various local issues. The result of these discussions was the formulation of the local priorities to be addressed. The greatest achievement and challenge for Gabrovo was overcoming citizens' mistrust in institutions and their skepticism that the average citizen can change local policies.

Counterpart International's program for Community Fund development in Gabrovo followed on the results of the Swiss community mobilization. The local priorities defined by the Swiss Public Forums became the foundation for the priorities of the Community Fund. Moreover, the Community Fund is considered to be an institutionalized continuation of the process that started in 2001 under the Swiss project. In this way Counterpart staff has demonstrated in practice that donor supported projects should not duplicate each other but rather should build upon one another.

#### ***Better Value for Money in Public Benefit***

With the successful implementation of the first project in Chepelare, the installation of energy efficient public lighting, the Community Fund demonstrated its ability to make use of mobilized public resources in the most effective way. During the call for bids, the Managing Board included the criteria that the proposal must contain a bonus: additional poles or lamps, etc. The selected company promised to deliver fifteen additional spotlights that will be installed on the town sports field at no cost to the Community Fund.

### **Social Enterprise Development**

#### ***Twenty-three NGOs Advocate for Legislative Reform***

During the first training workshop on the legal framework for Social Enterprises, the participants raised their voice in support of legislative changes that would create a better environment for non-profits conducting income-generating activities. A declaration in support of the campaign to induce legislative changes in the Corporate Income Taxation Act initiated by BCNL was supported and signed by the twenty-three NGOs and sent to the Ministry of Finance. The training workshop, organized by Counterpart within the training plan for the Social Enterprises, demonstrated the commitment of the organizations to support advocacy efforts for legislative changes favoring the non-profit sector.

#### ***Counterpart Builds on ISC's program results***

Eight Bulgarian non – governmental organizations (associations and foundations), previously funded by ISC and ISC's DemNet partner grant makers, have been selected to participate in the Pilot Social Enterprises project of USAID, implemented since September 2001 by Counterpart Bulgaria.

Those organizations are:

- Open Society Stara Zagora – funded by ISC through BCAF and the Resource Center Foundation for three consecutive projects in the area of Social Safety Net Improvement and Democracy Strengthening.
- Center for Independent Living – a partner of IRIS in the implementation of their DemNet-funded program. Also, funded by ISC through Open Society Club Varna and BCAF for implementation of three projects in Social Safety Net Improvement.
- Eyes on Four Paws Foundation – funded by ISC through BCAF in the area of Social Safety Net improvement.
- “Friends of the Sea” Marine Club Varna – funded by ISC through OSC Varna for two projects in the areas of social safety net improvement and democracy strengthening
- Open Society Club – Rousse – A DemNet Partner Support Organization
- NGO Club Targovishte – funded by ISC through Resource Center Foundation and OSC Varna for a total of 4 projects in Democracy Strengthening area.
- Association of Parents of Children with Cerebral Palsy Varna – funded by ISC through OSC Varna for a project in the area of social safety net improvement.
- Gavrosh Association – funded by ISC through OSC Varna for one project in Democracy strengthening

## **D. Management Overview**

### **Management**

#### ***BARDA TOR and Contract***

The Terms of Reference and a one-year contract for the Social Enterprise TTA provider, BARDA, was negotiated and signed during this quarter. All efforts were directed towards providing the nascent enterprises with the most beneficial technical and training assistance while remaining within the budgetary parameters.

#### ***Sub-grant Agreement***

During this quarter Counterpart signed the first sub-grant agreement for a matching grant with the first established fund in Chepelare. After approval from USAID, the Chief of Party and the Chairman of Community Fund – Chepelare signed the sub-grant agreement.

#### ***Procedure for Award of Sub-Grant Agreement***

In August, Counterpart staff developed the procedure for awarding sub-grant agreements for the matching funds. It consisted of two major components – programmatic and financial, and was articulated to serve as a guiding tool for the personnel of the Community Funds. Inseparable parts of the procedure were the templates for the project proposal and the financial documents – budget and budgetary notes. The procedure also contains the flow of documentation and the process of evaluation and decision-making.

#### ***Civil Society Development Foundation (CSDF)***

There has been increased activity as we near termination of the relationship with CSDF. The legal firm of Djingov, Gouginski, Kyutchukov and Velichkov was contracted to provide assistance in finalizing the process. Financial documentation is not yet in compliance with accepted accounting standards and fluctuations in final cost reporting has created delays in finalizing the termination agreement.

### ***Partner Replacement***

The COP, FO and Program Director met with the Bulgaria Charity Aid Foundation, the Foundation for Local Government Reform and the Foundation for Entrepreneurship Development in early July. The objective of these meetings was to research a suitable replacement partner to take CSDF's role in program implementation. The NGO Resource Center was also invited for a meeting; however, they did not express any interest in doing so. While the three NGOs that were interviewed are strong and have capacities that would be of assistance in implementing the program, none of them have the goal of supporting Community Funds in their mission statement.

At this same time, Counterpart International DC began negotiating with USAID to localize the Counterpart – Bulgaria office to be the support organization for both Community Funds and Social Enterprises throughout Bulgaria. The pros and cons of localization were developed in a brainstorming session and delivered to USAID. USAID requested additional information and the development of a localization workplan and narrative is in process.

## **Human Resources**

### ***Staff Changes***

Maria Marudova, the Local Coordinator in Chepelare, ended her employment contract with Counterpart International Bulgaria and joined the Foundation Community Fund Chepelare as the Executive Director effective October 01, 2002. During her employment with Counterpart, Maria played a very important role in the initial assessment and establishment of the Community Fund in Chepelare. We are confident that the knowledge and experience she gained through this period will be utilized in furthering the cause of community development and strengthening the new Foundation in Chepelare.

### ***Staff Evaluations***

During this quarter, staff evaluations (performance appraisals) were carried out for the Local Coordinators of the Community Funds who completed their probationary period. Their immediate supervisor – the CF Program Manager, conducted this process. This two-tier evaluation process was well-received and has been helpful in enhancing the capacity of the local staff.

## **Staff Development**

### ***Debriefing Session on Study Tour to Slovakia***

The Local Coordinators of the Community Funds in Blagoevgrad, Gabrovo and Chepelare attended a debriefing on last quarter's Study Tour to Slovakia, which was conducted by the CF Program Manager and the Program Director. The objective was to discuss the good practices and experiences of the Community Funds/Foundations in Slovakia and to adapt them to the Bulgarian context. Key ideas of how to popularize the activities of the Community Fund and how to increase its impact were shared with a focus on the future development of the nascent Community Funds in Bulgaria.

### ***In-house Training on NGOs***

The CI-B team participated in the first of several planned in-house NGO trainings: NGO Basics. The CF Program Manager developed the training materials utilizing Counterpart modules. This training module can also be used for the CFs and SEs. The half-day training gave the Program Staff a broader perspective of NGO functions, structure and mission, together with a focus on the environment in which they operate. The training was very beneficial in terms of the future role that CI-B is planning to have within the third sector in Bulgaria.

## **Finance and Administration**

During the fourth quarter, Counterpart International's Central Asia Region's Finance and Administration Director visited Bulgaria to assist in setting up Counterpart International's standard accounting software. The finance and administration staff was trained to use the system for all accounting and financial reporting. The introduction of this software has resulted in the standardization of financial reporting as per Counterpart's internal requirements.

The end of this quarter is also the end of fiscal year for Counterpart International. All financial and administrative reports were completed and sent by the due date to Counterpart's head office in Washington DC.

In July 2002, Counterpart International Bulgaria was registered with the Ministry of Justice, Government of Bulgaria at the Central Register for NGOs in public benefit.

In accordance with the Agreement between the Government of United States of America and the Republic of Bulgaria on Economic, Technical and Related Assistance (the Bilateral Agreement) dated July 27, 1998, the United States Agency for International Development (USAID) informed all implementing partners on the procedures to be adopted for VAT exemptions. Following these procedures and directives, Counterpart International Bulgaria obtained the VAT certificates from USAID and the Bulgarian Ministry of Economy. These certificates along with other related documents have been provided to our vendors to draw up the contracts and apply for the VAT exemption from the Tax Administration.

The matter is still being pursued; however, thus far none of the vendors have been able to obtain the desired exemptions from the concerned departments. Additionally, Counterpart is making efforts to find all possible ways to avoid payment of VAT on small purchases and expenses made in the field. For such procurement and expenses it is difficult to make separate contracts for VAT exemption due to various locations and suppliers.

In addition, as required, copies of all invoices and documents pertaining to the period July 01, 2001 to June 30, 2002 were provided to USAID for the reimbursement of VAT paid during this period.

## **Information Technology**

The web page [www.counterpart-bg.org](http://www.counterpart-bg.org) has consistently been updated by the Counterpart staff, and at times with the help of volunteers, in order to broaden the outreach potential of our program. The web page now contains additional information about Counterpart's program in Bulgaria. During an informal survey it was revealed that organizations and individuals who are interested in our Community Fund and Social Enterprise Programs use the web extensively.

## **Program Indicators**

During Counterpart's Civil Society Program Officer's visit, a brainstorming session on program performance indicators was conducted. As a result, the Performance Plan for the duration of the program was developed. (Please See Attachment 1) At the heart of the performance management system is a set of Performance Plans to monitor and report on measurable results indicators for each of the project's main components. Performance Plans are used to compare planned results, per results indicators as finalized with USAID, with actual results on a six-month basis. At the end of each period, the planned vs. actual columns are compared and management decisions are made with a view to producing the intended results. The system makes for easy comparisons of planned and actual performance and greatly assists managers and implementers to stay focused on results.

## **E. Project Activities by Objective**

### **Objective #1: Facilitate the process of Community Fund development in three communities in Bulgaria.**

The main objective of the Community Funds component during this quarter was to bring the process of Community Fund formalization to its successful completion. There were different sub-objectives in the different communities depending on the degree of community buy-in to the concept of Community Funds and demonstrated readiness of local volunteers to devote time to organizing the start-up process. Counterpart applied a participatory approach throughout the entire process of community mobilization for starting up the Community Funds. Self-identified local leaders were the moving factor in this development, while Counterpart Program Staff provided methodological and technical assistance. The speed of project development depended entirely upon local people's commitment to the process and their ideas about the various activities that should precede formalization of the Funds.

#### **Chepelare**

The formalization of the Community Fund took place in the beginning of the quarter, and consequently, the main objectives in this quarter were to lay the foundation for the effective operation of the CF and to start building its image as a trustworthy local agent of change.

Counterpart set the following objectives:

1. Assist the CF with legal registration
2. Assist the CF with development of its internal regulations and policies
3. Assist the CF with the implementation of its first project (whose goal was determined by the Public Forum in April 2002 and became the goal of the Test Fundraising campaign)
4. Strengthen the organizational capacity of the CF through provision of trainings
5. Provide methodological and technical assistance to CF staff for the accomplishment of everyday tasks and the development of operational plans.

Main achievements in this quarter:

#### ***Legalization of the Community Fund***

A Founding Assembly was organized by the Steering Committee with the technical assistance of the Local Coordinator. Counterpart provided a legal consultant from the Bulgarian Center for Not-for-Profit Law who chaired the assembly and at the same time was able to answer last-minute questions regarding the project By-laws and the legal requirements related to registration of the Fund. About 30 people from various social spheres attended the Assembly. The project By-laws were discussed and voted upon. The structure of the Fund includes a collective highest body (the Council of Donors), a Managing Board and a Board of Trustees. There was a last-minute suggestion to give internal control functions to the Board of Trustees, so that they would oversee the work of the Managing Board and veto decisions that contradict the By-laws. In this way the executive power of the Managing Board would be double checked – once by the Board of Trustees, on a regular basis, and a second time by the Council of Donors – at the annual meetings when the Managing Board will submit the annual activity and financial report. Previously nominated candidates for Managing Board and the Board of Trustees gave short presentations on their motivation to work for the development of the Community Fund. An election procedure took place. The Managing Board is comprised of people from the three main sectors – business, local government and non-profit. The Board of Trustees is made up of respected local leaders who are known for their thorough understanding of local needs and who will increase the community's trust in the Fund. The Local Coordinator was nominated and elected as the Executive Director of the Fund. Foundation "Community Fund-Chepelare" became a legal entity with the decision of



Smolyan Regional Court dated 21 July 2002. The following week the Fund was registered in the Central Register within the Ministry of Justice as a not-for-profit organization working for public benefit.

### ***Developing the Internal Regulations of the Community Fund***

Counterpart provided assistance in developing the Internal Regulations of the Community Fund by familiarizing the members of the Managing Board and the Executive Director with internal regulation documents of Community Funds working in the USA. The assistance of a legal consultant from BCNL was also used. The document specifies the conditions under which a donor can become a member of the Council of Donors, as well as the requirements for opening a donor-advised fund. The Internal Regulations also specify the roles and responsibilities of the Managing Board and the Executive Director; the procedure for funding NGOs and projects by the Community Fund; and the policy for avoiding conflicts of interest. The Internal Regulations were developed by the Managing Board and approved by the Council of Donors.

### ***Implementation of the First Community Fund Project***

The first community project implemented with funding from CF Chepelare and Counterpart was devoted to the modernization of the streetlights, which meant replacing the current lighting with energy efficient bulbs. The project goal was decided in a participatory way and by public consensus at the Public Forum organized in April 2002. This goal became the target of the Test Fundraising Campaign organized by the Steering Committee for starting up the Community Fund. The campaign raised \$22,300.00: 75% of which came from the Chepelare Municipality, 20% from local businesses, and 5% from the citizens. The Executive Director and the Managing Board, with assistance from the Program Staff, prepared the project proposal and submitted it to Counterpart for approval. The Community Fund developed the bidding procedures and company selection process for implementation of the project. The CF Program Manager was invited to observe the bidding process and saw first hand the objective evaluation and selection of the contractor. The offers were evaluated by a Bidding Commission consisting of 2 members of the Managing Board; one member of the Board of Trustees; the Executive Director of the Fund and a representative of the local government, the Secretary of the Municipality. The Commission formulated recommendations to the Managing Board of the CF, and the latter took the final decision. The work of the Commission was facilitated by two technical experts who clarified issues related to the technical parameters of the offers, and helped the Commission to conduct an objective evaluation. Following the bidding procedure, a contract was signed between the Fund and the selected contractor. The renovation of the streetlights will be completed by the end of October 2002. Counterpart provided guidance to the Executive Director of the Fund on how to conduct monitoring and evaluation of the project results.

### ***Training on Strategic Planning***

Counterpart provided a number of trainings to strengthen the organizational capacity of the Community Fund. The training needs were determined in consultation with the Managing Board and the Executive Director and a training plan was developed. One of the most urgent needs of the newly established organization was to base its operation on a strategy that takes into account the specifics of the local context in which the CF works. Consequently, the first training organized by Counterpart and delivered by the CF Program Manager was on Strategic Planning. The outcome of this training was a Strategic Paper that became the basis for the development of the quarterly operation plan for October – December 2002 and for the monthly workplans. (Please See Attachment 2) Participants in this training were the Managing Board, consisting of 7 people, the Executive Director and the Secretary of the Fund (the latter is an employee of the Municipality).

### ***Developed Operation Plan of the Fund for the Period October – December 2002***

Counterpart provided assistance with the development of the first quarterly operation plan of the Community Fund. The plan was developed by the Executive Director and based on the results from

the Strategic Planning workshop where the participants brainstormed ideas for activities that would relate to the Strategic goals of the Fund. Counterpart support included the provision of a practical planning tool and assistance to the Executive Director in developing appropriate activities to meet the goals set out in the plan. (Please See Attachment 3)

## **Gabrovo**

The objectives for Gabrovo this quarter were as follows:

1. Obtain the support of active local citizens in starting up the Community Fund
2. Massive dissemination of information on the creation of the Community Fund
3. Conduct a community needs assessment and define the priorities of the Community Fund
4. Formalization of the Fund

Main achievements in this quarter were:

### ***Formation of a Steering Committee***

In early July, self-identified local leaders from different sectors got together to discuss a plan for starting up the Community Fund in Gabrovo. (Please See Attachment 4) The group included representatives of the business sector, local government and the NGOs. The NGO sector was most widely represented. The group signed a Memorandum of Cooperation and undertook the task of organizing the process of community mobilization. The CF creation plan included several important steps: (1) large-scale popularization of the idea to start up a CF in Gabrovo with the help of local media and through the distribution of promotional materials – brochures and posters; (2) motivating community involvement in identifying the priorities that the Community Fund will address through the organization of focus-group discussions and a public forum; (3) Preparation and implementation of a Founding Assembly. The Steering Committee members took active roles in popularizing the idea to start up a CF in Gabrovo and in attracting other active citizens. There were regular meetings of the Steering Committee organized with the technical assistance of the Local Coordinator and facilitated by CF Project Manager.

### ***Single-sector Focus-group Discussions***

Each member of the Steering Committee organized and assisted with the facilitation of one focus-group discussion involving people from a particular public sphere or sector, such as education, health, social work, business, local government, NGOs, youth and sport, etc. These discussions were a tool for community needs assessment and prioritization of the needs that the Community Fund can feasibly address. The discussions also aimed to generate ideas for the Fund's pilot fundraising campaign. Seven focus group discussions were conducted. The results were summarized in a brochure that would be presented to the participants in the cross-sector public discussion that was to precede the formalization of the Fund.

Following are the results from the focus group discussions:

<b>Group</b>	<b>Priorities that the CF should address</b>	<b>Ideas for the pilot fundraising campaign</b>
Business	Health-care; Improvement of the urban environment	Renovation of the intensive care department in the hospital; Tourism advertisement of Gabrovo

Local government	Health-care; Improvement of the infrastructure; Youth and sports activities	Renovation of the intensive care department of the hospital; Renovation of a screening center; Sports playgrounds
Municipal school board of trustees	Improvement of urban infrastructure; Youth and children; Cultural tourism	Sports playgrounds in schools; Mobile equipment for teaching children traffic rules
Education – school directors and teachers	Health-care and Education; Improvement of the facilities at schools; Improvement of urban environment	Recreation areas in housing neighborhoods; Public bath and swimming pool; Creation of a youth territory
NGOs	Youth and children; Improvement of the urban environment; Care for disabled and elderly	Creation of an entertainment park
Youth and sport	Improvement of urban environment; Youth activities	Youth area with a youth hostel; Sports playgrounds; Youth media
Health-care and social workers	Improvement of health-care and prophylaxis; Social activities	Renovation of the intensive care department of the hospital

### ***Preparation of a Public Forum***

The Steering Committee organized a public forum that would bring together the participants of the focus group discussions, who represent all sectors and groups. This group would be the decision makers regarding the Fund's priorities and the pilot fundraising campaign. The Forum would also be used to popularize among the participants the draft By-laws of the Community Fund and the procedure for becoming a founder. The preparation for the Public Forum included making a list of active people from all sectors who would be invited; preparation of the brochure with the results from the focus-group discussions; sending invitations and receiving confirmation of participation; popularizing the forthcoming public discussion in the media. The work was divided between the Local Coordinator and the members of the Steering Committee.

### ***Preparation for Legal Registration of the Community Fund***

The Steering Committee discussed the draft By-laws for the Community Fund by means of a mailing list set up by the Local Coordinator. All comments were taken into account and discussed at a special meeting of the Committee. Counterpart provided the group with the By-laws of CF Chepelare, and it was used as the starting point of the discussion. The members of the Committee unanimously approved the structure of the Gabrovo CF: a Council of Donors, a Board of Trustees and a Managing Board. The changes that were suggested by the Committee were discussed with a legal consultant from BCNL who helped with wording. The plan of the Committee included popularizing of the By-laws at the Public Forum, as well as among all other prospective founders. The final version of the By-laws would be voted upon at the Founding Assembly.

The preparation for legal registration also included the opening of a bank account where all people who wish to become founders could deposit a founding fee. The Committee decided that the minimum fee would be BGN 10, which would enable people from various social groups to participate. Special nomination forms, to be given out to all founders, were prepared by the Local Coordinator for the election of members of the Managing Board and the Board of Trustees. The

objective was to make the selection of people for the Fund's governing bodies a fully transparent and democratic process.

### ***Media Coverage of the Community Fund Start-up Process***

All focus-group discussions and the initial meetings of the Steering Committee were covered by local media and Community Fund information was widely disseminated. Local media was regarded a valuable partner in the process in that it would help to make the Community Fund process fully transparent. A local radio station opened a hotline for citizens who wished to express their ideas about the priorities that the CF should address. This hotline would be in operation a week prior to the Public Forum. Two newspapers agreed to start special rubrics devoted to the Community Fund – one of them focusing on charity traditions in Gabrovo, and the other – creating an open window for citizens who wish to express their attitude to the idea of starting up a Community Fund. The Local Coordinator was regularly invited to attend discussion rubrics in TV programs that feature social and economic life in Gabrovo. A media archive was started at the office in Gabrovo. Local media also publicized the bank account where people could deposit money as a founding fee, and the whole procedure for becoming a founder of the Community Fund.

### **Blagoevgrad**

Counterpart undertook a slightly different approach in developing the project in Blagoevgrad due to the position of local government who did not provide noteworthy assistance in the initial stages of CF start-up. The position of local government was that they would support the Community Fund after its registration as a legal entity in Blagoevgrad Regional Court. There was a lack of understanding of the importance of community mobilization at the initial stage of this new social initiative and the role of local government in supporting this process. At the same time, popularization of the idea to start up a Community Fund in Blagoevgrad had yielded some results – interest and commitment from active representatives of the other two sectors was very high. Consequently, Counterpart continued the process of starting up the Community Fund, relying mainly on the participation of people from the business and the non-profit sectors.

The objectives set in this quarter were:

1. Getting the support of the Municipality for the process of CF start-up
2. Popularizing the Community Fund idea
3. Getting the support of active local citizens in the process of CF start-up
4. Formalization of the Fund

Main achievements in this quarter:

### ***Establishing Contact with Local Government***

In early August, Counterpart sent an official letter to the Mayor of Blagoevgrad suggesting that a Memorandum for Cooperation be signed. Counterpart asked the local government's assistance in providing a permanent office for the Community Fund. As the support and involvement of the local government in the start-up phase of the Community Fund was considered very important, Counterpart spent substantial time and effort attracting their interest. The official position of the Municipality was that the local government would support the Community Fund after it emerges as a legal entity registered in Blagoevgrad Regional Court.

### ***Adapting the Community Fund Start-up to the Local Context***

The position of the Municipality was actually shared by other local people from the other sectors who believed that the Fund should be first registered as a legal entity before the process of community mobilization for supporting the Fund begins. This opinion inspired a change in Counterpart's approach to starting up the Fund in Blagoevgrad. Instead of organizing participatory community needs assessment and decision-making regarding the Fund's priorities and the first fundraising campaign, Counterpart assisted self-identified local leaders to start a process of formalization of the Fund. This strategy was based primarily on the commitment expressed by local business people and NGO representatives with whom Program Staff has met in one-on-one information meetings.

### ***Establishment of a Community Fund Office***

Since the Municipality was unable to provide office space free of charge, Counterpart staff explored other options. A convenient option was to rent a room at the Chitalishte – a community cultural center situated in a central square of the city. The director of the Chitalishte was fascinated by the idea of starting a Community Fund in Blagoevgrad and let the room at a preferential price.

### ***Formation of a Steering Committee***

During the individual and group information meetings some local key figures self-identified as Volunteers for setting up the Community Fund. These people were invited to a joint meeting in the beginning of September to discuss the strategy for formalization of the Fund, and design a start-up operation plan. (Please See Attachment 5) The group included 3 people from the business sector, 4 people from the NGOs and 1 person from the Municipal Council.

### ***Achieving Community Buy-in Into the Idea of Starting a Community Fund***

The Steering Committee suggested inviting representatives from all social groups and sectors to a public meeting that would be the kick-off event for the process of formalizing the Community Fund. Each member of the Committee invited several people from different sectors. The meeting took place in the cultural institution, Chitalishte, and was attended by 29 people from the spheres of business, education, culture, sport, youth, elderly, media, etc. The group discussed the plan for starting up the Community Fund and the requirements for becoming a founder. It was very productive and stimulated high interest among the participants in supporting the formalization of the Fund. Half of the participants decided to submit their founding fees immediately after the meeting. Local media covered the meeting.

### ***Preparation for Legal Registration of the Community Fund***

The Steering Committee met to discuss the draft By-laws of the Fund. The By-laws of CF Chepelare was again used as a reference. Counterpart provided legal assistance by inviting a consultant from BCNL to attend the meeting and answer questions.

The preparation for the Founding Assembly also involved preparation of nomination forms for members of the Fund's governing bodies and media announcing of the date and time of the forthcoming assembly. Local media provided regular coverage of activities that preceded the legalization of the Fund. Posters and brochures were distributed by the Local Coordinator and Volunteers at public places such as Chitalishte, The Local Coordinator and volunteers distributed posters and brochures to public places such as the Chitalishte, schools, hospitals, the Municipal Administration Building and the Regional Government, etc. Attachment 6 is a descriptive list of meetings, which were held in Blagoevgrad.

## **Objective #2: Assist in the development of Social Enterprises throughout Bulgaria**

The main objectives of the Social Enterprise Project in this quarter were to:

1. Conduct a participatory assessment of the training needs of the NGOs
2. Develop the Year One Training plan based on the findings of the assessment
3. Begin the process of Social Enterprise capacity building by organizing a Kick-Off Training Workshop.

The selected TTA provider, BARDA, and the SE Program Manager conducted the organizational assessment. The Kick-Off Training Workshop included segments on the legal framework for Social Enterprise development as well as initial business planning. Forty participants representing all twenty-three enrolled NGOs attended the workshop. An integral part of the Social Enterprise activities during the quarter was the preparatory process for the SE Study Tour to the Czech Republic.

Key activities during this quarter included the following:

### **Participatory Assessment of Training Needs**

The participatory assessment was carried out in July and its objectives were to:

1. Identify specific training and technical assistance needs of the selected NGOs;
2. Define levels of competence and preparation for running SEs;
3. Set up groups by skill level and competence.

The Bulgaria Association of Regional Development Agencies (BARDA) was selected as the TTA provider for the Social Enterprise project. Regional consultants from BARDA member organizations were identified and the SE Project Manager met with each of them individually to ensure that their knowledge and experience correspond to the technical assistance needs of the Social Enterprises. All of the approved consultants signed a declaration of confidentiality that was prepared by Counterpart – Bulgaria.

### ***Development and finalization of the assessment tool.***

BARDA and Counterpart designed the assessment tool, which would serve to determine and analyze the training and technical assistance needs of each participating NGO. (Please See Attachment 7) The tool was distributed to the field consultants and used during the TTA needs assessments. The methodology of the tool included the following steps:

1. Perform a "gap" analysis to identify the current skills, knowledge, and abilities of people who are/will be directly involved with the SE
2. Identify the level of knowledge and skills
3. Identify priorities and importance of training activities

### ***BARDA Scope of work and consultancy agreement for the training needs assessment analysis.***

The SE Program Manager drafted the scope of work, which was finalized and approved by the Program Director and the Chief of Party. The purpose of this consulting assignment was to assess the business training and technical needs of the twenty-three NGOs that have been selected to participate in the project. The period of the consultancy was five weeks.

### ***Training needs assessment and Training Plan***

The assessment trip was conducted in the period July 10 – 26, 2002. Prior to visiting the Social Enterprises, the SE Program Manager met individually with each BARDA consultant, conducted an assessment tool familiarization training and evaluated their capacity. During the meetings with each consultant the SE Program Manager emphasized the role of the business consultant in the start-up of a viable Social Enterprise and described the differences between small businesses and Social Enterprises.

Regional consultants and the SE Program Manager visited each NGO and conducted the TTA assessment needs analysis. Initial information was obtained from the Application Form of each organization. The rest of the information was gathered during the visit through on-site observation and individual interviews. The consultants used open-ended questions to determine more completely what the NGO believed should be happening, as well as understand the current status of the SE idea.

At the end of the assignment BARDA submitted to Counterpart – Bulgaria a report consisting of: methodology and analysis; twenty-three individual Business Training and Technical Needs Assessments; and the First Year Training Plan (Please See Attachment 8).

The SE Program Manager wrote an assessment trip report that included personal impressions and comments on the SEs, as well as an evaluation and recommendation of each consultant.

### **Preparation for Social Enterprise Study Tour**

A substantial part of the project activities during the quarter was connected with the preparation for the SE Study Tour to the Czech Republic scheduled for October 14 – 19, 2002. In July the Program team together with World Learning elaborated a procedure for identification of participants. The objective of the Study tour and the procedure for nomination of participants were presented to the NGOs during the introductory meeting. The procedure consisted of the following stages:

- Presentation of the Study tour, the procedure and criteria for the selection of participant to all twenty three NGOs
- Distribution of nomination forms to the NGOs
- Nomination of a participant that meets the criteria made by the person authorized to represent the NGO
- Discussion and approval of the nomination by the Managing Body of the NGO
- Delivery of approved nomination form to Counterpart – Bulgaria
- Review and approval of nominations by Counterpart Bulgaria
- Preparation of the list of participants
- Delivery of participants list to World Learning for approval.

The main point for Counterpart in stipulating the criteria for the participants in the Study Tour was to maximize the benefit for the Social Enterprises by gathering new ideas and experiences during the study tour. The following criteria were applied when identifying representatives from the twenty-three NGOs:

- To be permanent staff or a member of the NGO and to be directly involved in the operation and development of the Social Enterprise
- To have a profound knowledge and understanding of the NGOs mission and activities, and the relationship between the social mission and the business activity
- To be open-minded and devoted to the development of the SE
- To be mature, eager to learn and ready to further develop their capabilities and skills
- To be open to team work, and ready to share ideas and experience
- To be ready to actively and efficiently network
- Preferably to have some business experience

The NGOs sent their nominations by August 20<sup>th</sup> 2002 and the final list of participants was sent to WL and USAID for final approval. Twenty-four (24) people will participate in the study tour. The SE Program Manager will also accompany the group as an observer and representing Counterpart – Bulgaria.

Although World Learning was responsible for all the activities connected with the selection of a training provider and finalization of the training request, Counterpart Program Staff was involved in reviewing and commenting on the training proposals. World Learning contacted four

organizations, three of them submitted proposals: NESsT (Czech Republic), OPUS (Poland) and Polish American Advisory Agency.

USAID considered NESsT the obvious leader as a training provider. Counterpart Program Staff presented its recommendations and sent them both to WL and USAID. After NESsT revised their proposal USAID made a final decision and selected NESsT as the training provider for the Study tour (Attachment 9).

### **Introductory Meeting for Social Enterprises**

The objective of the event was to gather the participants together for a meeting with the Counterpart Team and the other organizations involved in program implementation. At the same time it was a good opportunity to officially present the World Learning Study Tour and to sign Memorandums of Cooperation between Counterpart and the NGOs. BARDA, BCNL and WL representatives were invited and present at the meeting.

During the meeting each NGO made a short presentation describing their activities, target groups and Social Enterprise idea. The SE Program Manager gave a presentation focusing on the objectives of the project, the methodology and the scope of the project in Bulgaria. (Please See Attachment 10) This was also a beneficial social event for the participants as they had the opportunity to get to know one another and share useful ideas and experiences.

### **Finalization of BARDA Contract**

During this quarter a one year contract for the provision of training and technical assistance was developed and signed between Counterpart – Bulgaria and BARDA. BARDA provided its Field Consultants with the SEs First Year Training Plan and gave them the specifics for consultations and reporting. Due to a conflict of interest between one of the NGOs included in the Social Enterprise Project (Open Society Club – Russe) and the local BARDA representative, an independent consultant was identified and contracted to provide one-on-one consultations.

### **Kick-Off Training Workshop**

The most significant training event organized this quarter was the Kick-Off Training Workshop for the SEs that included two fundamental training topics: Legal Framework for Social Enterprises and Basic Business Planning. Counterpart Program and Logistical Staff prepared for the training event in the following stages:

#### ***Identification of training topics, content and dates***

The Kick-Off Training Workshop was designed for a duration of 2.5 days, consisting of two modules: Module 1 - Legal framework of NGOs to perform economic activities – half day; Module 2 - Business Planning - one and a half days.

#### ***Selection of BARDA trainers***

Bulgaria Center for Not-for-profit Law (BCNL) as one of our partners and legal advisors were invited to deliver the first module of the training. An outline of the topics that should be addressed and a preliminary agenda of the session was developed and sent to BCNL for comments. BARDA, as our training and technical assistance provider, was responsible for conducting the training in business planning. Two BARDA consultants from the Agency for Regional Development in Pazardjik were recommended as the most experienced for the Business Planning module.



### ***Identification of training venue and facilities***

Program and Logistics Staff conducted a comprehensive research for training venues and facilities to be used for training events. A leading criterion was quality of facilities and services and the cost of food and accommodation. Additional criteria were the proximity to Sofia and availability of affordable transportation. Several offers were received and the SE Program Manager conducted a site-check on 3 short-listed hotels. The SE Program Manager developed a preliminary budget including accommodation, food, hall rent, transportation, consultants' fees, materials costs. The most advantageous offer for training venue was selected. The database for training venues and facilities will be further expanded and used for all future training events within the program.

### ***Training preparation***

Official invitations for the Kick-Off Training Workshop were sent to the NGOs in advance. The Office Assistant made follow-up phone calls to ensure that the information had been received by all of the organizations and developed the final list of participants.

An evaluation form was developed with questions concerning the organizations, trainers, training objectives and content, participants involved and future trainings (Please See Attachment 11).

### ***Kick-Off Training Workshop***

All twenty-three (23) organizations were represented at the first training: a total of 37 participants. The training included two modules: Legal framework of NGOs to conduct economic activities provided by BCNL and Business planning provided by BARDA.

The first module was attended by all of the participants. Three lecturers from BCNL presented different topics relative to the legal and tax aspects of conducting business activities:

- Ivo Hristov – Legal provisions and economic activities of not-for-profit organizations.
- Luben Panov – Taxation of not-for-profit organizations
- Monika Kopcheva – Practical advice for conducting business activities

For the second module the participants were divided into two groups depending on their level of business knowledge. There were 20 participants in the beginners group and 17 in the advanced group. Two BARDA trainers delivered the module:

- Dimitar Stoyanov – Business planning advanced group (A)
- Alexander Trenkov – Business planning beginners group (B)

### ***Monitoring and Evaluation of Kick-Off Training Workshop***

As the training component is crucial to the success of the Social Enterprises, the Program Staff monitor the quality of training during training delivery. Feedback from the participants was gathered through a questionnaire, which was evaluated on the basis of workshop content and relevancy, and the trainers. The SE Program Manager analyzed the information and developed the evaluation report and summary, which were sent to BARDA for their review and information. (Attachment 12)

A summary of the results from the Kick-Off Training Workshop evaluation follows:

- Participants were satisfied with the organization of the event. Information about the training was distributed well in advance.
- The decision to divide the participants for the Business Planning module into two groups according to their level of business knowledge was accepted and approved by all. First, it was good for the participants as they were speaking the same language, using the same terminology and asking adequate questions that were interesting for the whole group. Second, it was easier for the trainer to get the attention of the whole group because the

presented material was understandable and interesting for everyone. Participants were also satisfied with the training materials.

### **One-on-One Consultations**

This quarter BARDA field consultants started to provide one-to-one consultations to the designated SEs thus increasing their business skills and knowledge to successfully operate a social enterprise. During September in total 11 hours of consultancy were provided to 3 NGOs as follows:

- Center for Mental Health “Chovekolubie” - Pazardjik – 2 hours
- Center for Integration of Crime Manifested and Risk Groups – 6 hours
- Open Society Club – Stara Zagora – 3 hours

The focus of the consultations was on a follow-up of the training in business planning and the Legal aspects of the social enterprise.

### **Preparation for Training of Trainers, SE Concept Training and Study Tour Debrief.**

This quarter Counterpart Washington and Counterpart Bulgaria Program Staffs began preparation for a TOT and SE Concept training that will be held next quarter.

BARDA consultants and Counterpart staff will attend the TOT that is aimed at enhancing skills to better support the SEs in the program. Representatives from the twenty-three SEs will participate in the Social Enterprise Concept training focused on providing the SEs with the information and skills necessary to conduct viable enterprises.

Along with the Social Enterprise Concept Training, Counterpart Program Staff will facilitate a debrief of the Study Tour to Czech Republic.

Venues were researched, materials identification and preparation was begun. The Terms of Reference and contract for Kim Alter were prepared and negotiated.

### **Additional Support to the Social Enterprises**

In addition to support outlined in our program document, Counterpart Bulgaria has sought additional avenues of support for the Social Enterprises.

Two of the SEs are interested in either developing or expanding a social enterprise which would entail purchasing livestock. COP contacted Heifer International and received from them a notice of interest to begin projects in Bulgaria. The Program Director and SE Program Manager continued the process of generating support for the two animal husbandry focused projects.

### **Objective #3: Enhance the capacity of Bulgarian partner organization to support Community Funds throughout Bulgaria.**

We are currently in the negotiating process with USAID concerning this Objective. Throughout the life of this project, Counterpart has made it a priority to coordinate with both local and international organizations both to leverage scarce resources and enhance the capacity of both our organization and organizations we work with. Counterpart has worked directly with or discussed areas of cooperation with Bulgarian Center for Not-For-Profit Law, BARDA, NACHALA and Bulgarian Charity Assistance Foundation. Please see sections F and G of the quarterly report for more information on coordination and leveraging.

#### **Objective #4: Document and disseminate lessons learned and best practices for Community Funds and Social Enterprises.**

##### ***Counterpart- Bulgaria Web Site***

In order to maximize the outreach potential of our program a web page was designed and uploaded with the address of [www.counterpart-bg.org](http://www.counterpart-bg.org). The objective for Counterpart web site development is to become a web based resource for Community Funds and Social Enterprises. After the establishment of the three Community Funds it will serve as the domain for the web sites of the three Community Funds and will have links with at least ten Social Enterprises.

##### ***Counterpart Publications on Social Enterprises***

In September Counterpart – Bulgaria received a 2 publications from Counterpart International. The first, titled “Case Studies in Social Enterprise” developed by Sutia Kim Alter, summarizes Counterpart International’s experience in the field of Social Enterprise development. The publication is an invaluable source of information for the emerging Social Enterprises in Bulgaria. After its translation into Bulgarian, the Program Staff will use it as a resource book on Social Enterprise development and will disseminate it to interested organizations.

The second, titled “Report No 82 Analysis of Potential Roles of Government and NGOs in Providing Health and Social Services in Armenia”, was funded by USAID and prepared by Counterpart International for the Armenia Social Transition Program. The document includes 4 case studies from Bulgaria that were researched and submitted by the Program Director. The case studies are from the following organizations: Knowledge for all Society in Burgas, Flame of Hope Regional Alliance of Diabetics in Burgas, Association for Social Assistance in Dryanovo and the Knowledge Society in Lovech.

#### **F. Coordination and Cooperation**

Counterpart International – Bulgaria conducted a series of meetings with other donor organizations in order to get acquainted with their programs and experience and exchange ideas about future coordination in program related activities. Listed below are some of the organizations:

##### ***World Learning***

In July Counterpart staff participated in working discussions organized by World Learning with an objective to develop in-country training for: 1) Local networking and partnerships for community development and 2) Information and communication technologies for disadvantaged groups. The COP and Program Director presented the Bulgaria Pilot Community Fund and Social Enterprise program and the opportunities for the involvement of Counterpart supported organizations – newly established Community Fund and Social Enterprises with focus on IT training - were discussed. As an outcome of the cooperation with World Learning the Community Funds in Gabrovo, Blagoevgrad and Chepelare will participate in a series of workshops for community development and will share their unique experience. Representatives of the NGOs included in Social Enterprise project that are focusing on IT access and training for disadvantaged groups will participate in workshops for IT for disadvantaged groups. By participating in the training Counterpart Social Enterprises will be actively involved in developing new strategies for IT access for disadvantaged groups in Bulgaria. Coordination and cooperation with World Learning will increase the training opportunities for Counterpart supported organizations and will disseminate the experience and lessons learned.

### ***Peace Corps***

During August Counterpart – Bulgaria was in contact with the new group of Peace Corp volunteers and an agreement was reached on the future collaboration between the two programs. A strong interest in supporting the start-up process of Social Enterprises was expressed – the economic development volunteers can provide valuable training and business advice for the new businesses. Volunteers located in the towns where Community Funds have emerged will participate in community mobilization.

In addition an agreement for exchange of information and experience was reached; all the activities of the Community Funds and Social Enterprises will be placed on the Peace Corps newsletter.

### ***ICNL***

Counterpart's Chief of Party and Program Director participated in ICNL's strategic planning process. The goal of this process was to define the mission and strategy of the ICNL-CEE program and the role of the ICNL-Budapest office in furthering that program.

Through a questionnaire, ICNL conducted research on existing and future needs of the region relative to NGO legal issues, the shape and form of the network of NGO legal experts in the CEE region, and how ICNL can continue to support and develop that network. Counterpart staff gave its input in making the role of ICNL more effective to address the needs for legal reform.

### ***Individuals and Organizations***

- Maria Petkova, Representative of Co-operating Netherlands Foundations for Central and Eastern Europe

Maria Petkova met with the Program Director to discuss the opportunities for collaboration between the two programs. The Netherlands Foundations are mainly financing infrastructure projects in the social sphere thus aiming to increase social inclusion and improve provision of social services for marginalized groups. There is the possibility for cooperation in respect to utilizing the assets and infrastructure improvements of Dutch program towards increasing the capacity of NGOs for income-generating activities covered by the Counterpart program. Some of the NGOs included in the Social Enterprise program are applying for funding from the Netherlands Foundations and their chances of approval are enhanced by the training and technical assistance they receive from the BPCFSE program.

In addition to the above meetings, the COP met with the following organizations/individuals:

- Diana Injova, Center for Psychological Research, and Peace Corps Volunteer Tony Allen  
Injova and Allen called the meeting to discuss the SE program and the Center's participation. Also discussed were the Center's capacities for providing services to Counterpart in implementation of the SE program. The organization is quite strong and has service providers that can be beneficial to the other SEs enrolled in the program.
- Nicole Sirak, Jay Jones and Thomas Carmody, American Red Cross  
COP met with Red Cross representatives and discussed possibilities for sharing capacities and thus increasing the amount of affordable training for both organizations. It was decided that training schedules would be sent to each organization with the invitation for their target groups to attend. Also committed were training modules offered free of charge by the COP and Ms. Sirak.
- Maria Zagorska Rural Women's Association  
Ms. Zagorska was referred to the COP by USAID. Although we cannot admit any additional organizations into our program at this time, the COP assisted Ms. Zagorska with

contact information of Rural Women's Associations in the other Central European Countries. COP also offered to assist the RWA in seeking funding for a program to provide rural women with mammograms via a traveling mammogram van.

- Jane Grube, ISC

COP met with Ms. Grube and discussed the organizations that were in ISC's program and are now in Counterpart – Bulgaria's program. This is a good example of building on USAID funded programs, a continuity in support.

### ***Discussion Forums, Conferences and Public Meetings***

- Discussion Forum on "Opportunities for NGOs to Conduct Health Services" July 16, 2002

The discussion forum was organized by BCNL and attended by representatives of NGO sector, health institutions, and members of the Parliament – the Chairman of the Social Commission – Mr. Hasan Ademov. A survey on "Legal arrangements for the healthcare institutions in the Republic of Bulgaria, the European Union and the United States" was presented by the Parliamentary Center for European Law. The objective of the forum was to present the practices in other countries and to support the initiative for amendment of the current legislative framework for healthcare services, thus creating an opportunity for non-profit entities to conduct healthcare services. During the discussion the members of the Parliament expressed their support for the amendments of the law for healthcare services that will increase the opportunities for the NGOs to expand the services provided to their target groups.

- Public Presentation on PHARE ACCESS program July 24, 2002

Counterpart Administrative Assistant attended a presentation of PHARE Access program opened in year 2002 for non-profit organizations. BFI Consortium (Bulgarian Charities Aid Foundation, Foundation for Entrepreneurship Development, Information and Consultancy Centre) provides Technical Assistance to PHARE ACCESS 2000 Program. The Access Program aims at strengthening the Civil Society and preparing for accession of the candidate countries in Central and Eastern Europe. The Program supports activities in the following sectors: environmental protection, socio-economic development and social activities.

- Annual Celebration of the Americans with Disabilities Act July 30, 2002

The COP gave a presentation at this annual celebration organized by the Center for Psychological Research. In attendance were Ambassador and Mrs. Purdew, the Mayor of Sofia, the Minister of Social Welfare and other dignitaries and guests.

- National Conference "Municipalities in Support of Businesses" September 25, 2002

The conference was organized by JOBS project and UNDP and was attended by more than 260 Mayors, Regional Governors, representatives of business support organizations and businesses. The main topic was the mechanisms and approaches for local authorities to attract investments and to increase the awareness of the businesses of their social responsibility. Presented were good practices of NGOs that support local economic development and create the bridge between the local authorities and the businesses. The NGOs are seen as the engines of the change in small communities. Partnerships in different forms (including public-private partnership) were mentioned as a key factor for the success of community initiatives.

- NGO Project Fair organized by Open Society Club Russe September 20, 2002

The Project Fair was a closing event of the second round of Democracy Network funded projects in North Eastern Bulgaria. The results and impacts of forty implemented projects were presented together with video films and publications of the organizations. This was a good opportunity for Counterpart staff to share experience and lessons learned with representatives of the forty NGOs and to popularize the opportunities of the Social Enterprise concept. The slogan

of the project fair was: “Together we change the world around”. Most of the NGOs expressed their desire to continue their project activities and they stated that they would try to secure funds from other sources, including income-generating activities.

- European Information Center Reception – Veliko Tarnovo September 22, 2002

The Program Director attended a charity reception organized by the European Information Center – an NGO in the Social Enterprise Project whose SE ideas is to develop childcare services. The event was part of the fundraising campaign to raise money for the renovation of the Open Door Center. It provided a good opportunity for networking, exchange of ideas and experience. The reception took place in an historical monument – an ancient fortress – the King’s Palace during the second Bulgarian Kingdom and it combined the event with the celebration of Bulgarian Independence day.

## **G. Leveraging**

### ***Physical Assets***

- Gabrovo - Municipality of Gabrovo donated 15 books (economics, management, public relations) to the Community Fund in Gabrovo. The books are in English and serve as an invaluable source of information for the Local Coordinator.
- Chepelare – In July the Municipality of Chepelare provided free access to office facilities – computer, fax, Internet for the members of the Community Fund. The estimated cost of the services is \$50.

### ***Volunteers***

- Counterpart - During August the office attracted a student as a volunteer to work on the development of promotional materials. She devoted 10 hours of voluntary work and as an output she developed the design of a leaflet of the chartable traditions in Gabrovo.
- Chepelare - During the selection phase for the first project implemented by the Community Fund free of charge expertise was used while selecting the organization to replace the streetlights with energy efficient lamps. A highly skilled electrical engineer from the State Electricity Company in Smolyan (district center) sat on the committee and provided technical expertise for the selection of the contractor.
- Gabrovo – The members of the Steering committee in Gabrovo, all of them professionals in different sectors, devoted a lot of their personal time on the preparation activities for the start-up of the Community Fund. They facilitated group discussions, participated in media events, and popularized the idea for the Community Fund amongst different public groups.

### ***Human Resources***

- Chepelare - From the beginning of July the Municipality in Chepelare has been covering the monthly salary for an additional staff assigned to the Community Fund - a technical assistant. The monthly salary + the fringe benefits amount to 200 USD/month.

### ***Access to Publicity***

The Technical University in Gabrovo provided voluntary support for the design and image development of promotional materials for the Community Fund in Gabrovo. Due to their professional skills and willingness to help, the Steering Committee in Gabrovo produced brochures that have raised the public’s awareness of the establishment of the Community Fund.

### ***Access to Training Opportunities***

Due to the partnership relations with the Bulgarian Media Coalition two of the Local Coordinators of the Community Funds participated in trainings for NGOs. On 28 – 29 August the Local Coordinator from Blagoevgrad attended training on how NGOs should work with the media. The

training was very beneficial in relation to the informational campaign for the start-up of the Community Fund. At the end of September the Executive Director of Community Fund Chepelare attended a two-days training on improvement of the relationship between NGOs and the media.

## **H. Lessons Learned**

### **Community Fund Development**

#### ***Test the Model in a Smaller Community***

The model for community mobilization for starting up the Community Fund was initially developed and tested in the smallest community – Chepelare. This enabled Program Staff to draw conclusions that facilitated project implementation in the bigger communities – Gabrovo and Blagoevgrad. The model was adjusted to the specific features of local context in each community. A distinct feature in Gabrovo and Blagoevgrad was the higher level of involvement of local media in popularization of the idea to start up a Community Fund and attract founders. Local media turned out to be a driving force for community mobilization, which was not the case in Chepelare – a town of 5,000 people where personal contacts were the main source of mobilization.

#### ***The Speed of Community Mobilization is Dependent on Sector Involvement***

The strategy for Community Fund start up was modified according to the degree of involvement of each of the three main sectors: business, local government and non-profit sector. In Chepelare, where local government was most active, the process of CF start-up involved identification of key players from the three main sectors and attracting them as founders. Community needs assessment and prioritization of goals was very much externally stimulated with the help of consultants provided by Counterpart. In Gabrovo, where the NGO representatives were most active as a driving force for CF start-up, the process involved large-scale community dialogue – focus group discussions and a public forum – preceding the formalization of the Fund. Local key figures from the NGO sector facilitated most of those discussions for prioritization of needs and setting goals. In Blagoevgrad, where representatives of the business sector were most active, the process of CF start up was shorter, and focused more on direct contact with potential donors and founders, as well as on media involvement as a driving force. The process of community goal setting was postponed until after the legal registration of the Fund.

#### ***Role of Local Government in Community Mobilization is Not a Prerequisite of a CF***

Support of local government was considered crucial for community buy-in into the idea of starting up a Community Fund in Chepelare and Gabrovo, but not in Blagoevgrad. In Blagoevgrad, where the gap between local government and citizens is greater, representatives of the business sector, supported by NGO people, took the lead in the formalization of the Fund, with the goal of winning the support of local government after registration of the Fund as a local legal entity.

#### ***New Community Funds Need Intensive Technical Assistance***

After its formalization as a not-for-profit legal entity, the staff of Community Fund in Chepelare was lacking basic knowledge and experience how to manage the organization and needed considerable technical assistance of how to organize documentation files, how to more effectively distribute tasks and responsibilities, and how to develop and utilize strategic and operational plans. It was a valuable experience for Counterpart Program Staff first to make an assessment of the basic needs and after that to formulate a strategy of how to address the needs. In this way a better utilization of resources – funds, time and efforts can be developed.

## **Social Enterprise Development**

### ***Lessons in Organizing a Social Enterprise Workshop***

When preparing and organizing the first training for the Social Enterprises – the Kick-Off Training Workshop, Counterpart staff experienced the following:

- A check-up with the person involved in the SE from each organization should be done to assure that the information has reached the right people on time.
- The information for the training should be distributed well in advance in order to eliminate duplication with other trainings or activities of the NGO (at least 15 days prior to the event)
- The trainers should provide the training materials at least 3 weeks before the event so that they can be reviewed and finalized on time
- The SE Program Manager should discuss individually with the trainers their methodology and approach
- Use a check-list/sign in sheet for the participants in the different sessions in order to ensure that all of them are attending and participating actively.



## **I. Year One Highlights**

- Counterpart Bulgaria COP and Program Staff visited existing Community Funds in Slovakia and shared this experience and knowledge with the Initiative Committees of the three Bulgarian Community Funds. The lessons learned were incorporated into Counterpart Bulgaria's facilitation of the development of the funds.
- Quantitative surveys on grassroots needs and attitude to philanthropy were conducted in the three CF sites.
- Counterpart Bulgaria CF Program Staff met with existing Community Funds throughout Bulgaria and the information gathered was presented to the Steering Committees to assist in successful development of the program's CFs.
- An alternative plan was developed by Counterpart Bulgaria when it became evident that CSDF did not have the willingness to participate in program implementation. The Program Staff interviewed and hired local coordinators in the three CF communities. The Program Staff developed a database of resources for the Social Enterprises.
- The Chepelare Community Fund has registered as a local organization and completed its first fundraising campaign. The initial fundraising effort's goal was to install new streetlights in the community. Over forty volunteers participated and \$22,300 was raised.
- One hundred and ten highly skilled and motivated representatives of the three sectors in the communities of Blagoevgrad, Chepelare and Gabrovo self identified for the start-up of the Community Funds and were involved on a voluntary basis in the steering committees.
- One hundred fifty volunteers were mobilized for the public awareness campaigns and for the initial fundraising activities of the Community Funds.
- Two of the three Community Funds, Gabrovo and Chepelare, have reached agreements with local municipalities to provide free office space and administrative assistance. In Blagoevgrad, where municipal support is lacking, the CF has set up office in the Chitalishte at a nominal fee of \$15.00/month.
- Blagoevgrad and Gabrovo will submit their Community Fund registration documents by the end of October 2002.
- Counterpart has enrolled twenty-three NGOs as participants in the Social Enterprise training and zero interest loan program.
- The twenty three NGOs enrolled in the Social Enterprise segment of the program joined together and raised their voice in unity in support of legislative changes that create a better environment for the third sector to conduct income-generating activities. A petition was created, signed by all and delivered to the Ministry of Finance.
- Counterpart Bulgaria has developed extensive linkages with businesses and community organizations and created a database for Social Enterprise resources. This is envisaged as the first step for the establishment of a Social Enterprise network in Bulgaria driven by a capable support organization.
- The Counterpart Bulgaria Program Staff conducted a broad information campaign through which the Social Enterprise concept reached 300 NGOs. Additionally, various media events and interviews had a snowball effect with information outreach greatly increasing public awareness. More than 80 articles and interviews have been published and broadcast on national and local media. 1500 brochures for Community Funds and Social Enterprises along with 1000 posters for Community Funds have been distributed.